

DETROIT LAND BANK AUTHORITY

BOARD OF DIRECTORS SPECIAL MEETING

**CADILLAC TOWER
65 Cadillac Square, Suite #3200 • Detroit, Michigan
(Conference Room)**

Tuesday, May 5, 2014

MINUTES

Present: Marsha Bruhn
Richard Hosey
Larry Lipa
Patricia Pernell-Shelton
Erica Ward Gerson

Absent: None

Others Present: Detroit Land Bank Authority (DLBA) staff

CALL TO ORDER: Chairperson Ward Gerson called the May 5, 2014 DLBA Board of Directors meeting to order at 2:03pm.

ROLL CALL: All of the board members were present, a quorum was met, and the meeting began.

PUBLIC COMMENT: No comments were given from the public.

ADOPTION OF AGENDA: Chairperson Ward Gerson added a couple of reports on activity of the DLBA and called for the adoption of the agenda.

Motion by: Member Larry Lipa to adopt the agenda. **Supported by:** Member Patricia Parnell-Shelton.
MOTION APPROVED.

REVIEW AND APPROVAL OF MINUTES: There were no minutes to approve.

Chairperson Ward Gerson explained the reason for the special meeting which was to close on the line of credit with the Detroit Development Fund and Enterprise Community Partners to fund the Hardest Hit program. The first resolution is a resolution to approve a Revised Operating Budget. As explained earlier to the Board, under accounting rules, you can't amend a budget in the middle of the year. Everything still has to relate back to the budget you adopted at the beginning of the year, and you have to show your financials for accounting purposes against that one. Ms. Michelle Story-Stewart provided the Board with a new Operating Budget that was discussed at the last board meeting. Chairperson Ward Gerson called for a motion. **Resolution 05-01-2014.**

Motion by: Richard Hosey to approve a revised 2013-2014 Operating Budget. Supported by Patricia Pernell-Shelton. MOTION APPROVED.

Chairperson Ward Gerson continued the meeting by explaining how the DLBA was attempting to consolidate all demolition activities in the City of Detroit and place them under the City and the land bank. The DLBA has worked with the Blight Authority, requesting they give up doing structural demo and do only non-structural demo and they've agreed to that. The Blight Authority did have funding agreements with MSHDA and with Rock Ventures to do demo on 58 houses in Brightmoor, and part of the deal was for the DLBA to take over and perform those demos. The people who originally agreed to fund it would still fund it, Rock Ventures and MSHDA. Much conversation ensued and Member Bruhn proposed minor corrections to the Rock Ventures document and to the DLBA resolution, which were accepted. Chairperson Ward Gerson called for a motion to approve. **Resolution 05-03-2014.**

Motion by Member Larry Lipa to adopt a resolution authorizing the Executive Director to execute funding agreements between the Michigan State Housing Development Authority; Rock Ventures; and the Detroit Land Bank Authority in connection with funding for blight removal and demolition in the Brightmoor area of Detroit. Supported by: Member Richard Hosey. MOTION APPROVED.

Chairperson Ward Gerson explained that with the restructuring of the \$3.5 million loan that originally would have come from two sources, Detroit Development Fund (DDF) for \$2 million and Enterprise Community Partners for \$1.5 million, the Detroit Development Fund will now loan the full \$3.5 million to the DLBA. The DDF's resolution states a \$2 million loan to the DLBA and will need to be changed to a \$3.5 million loan to the DLBA. The term sheet was changed by the DDF and would need to be approved by the Board. The biggest change is the actual fee of \$60,000 and expenses are not capped, they're just being controlled. Conversation ensued and Chairperson Ward Gerson asked that in the "Now therefore, be it resolved," paragraph: Authorized and directed to execute, after the word, thereunder, insert the phrase: "With such changes, as may be necessary or appropriate in his judgment, provided they do not materially increase the obligations of the land bank." Chairperson Ward Gerson called for approval of the resolution, as amended. **Resolution 05-02-2014.**

Motion by: Member Richard Hosey to adopt the resolution in connection with an extension of credit to the Detroit Land Bank Authority by Detroit Development Fund, approving said transaction and authorizing the Executive Director to execute agreements and other documents in connection therewith. Supported by: Member Patricia Pernell-Shelton. MOTION APPROVED.

OTHER BUSINESS: The Board heard reports on staff activities including Hardest Hit Funds, Fire Escrow, Brightmoor Demolition, Nuisance Abatement Program and the Auction.

The meeting was adjourned at 1:50 PM.